

Message Text

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ORIGIN EA-10

INFO OCT-01 ISO-00 OES-03 H-02 EB-07 L-03 SS-15 INR-07

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DRAFTED BY EA/K:JDFORBES:SPB

APPROVED BY EA/K:DODONOHUE

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TO AMEMBASSY SEOUL

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E.O. 11652:

TAGS: ETRD, EFIN, PARM, MNUC, TECH, KS

SUBJECT: KORI-II NUCLEAR POWER PLANT

REF: A- STATE 132179 B- STATE 128771

1. FOLLOWING IS TEXT OF REMARKS ON KORI-II LOAN MADE BY
SENATOR PROXMIRE IN SENATE JUNE 19.

2. QUOTE: MR. PRESIDENT, ON MAY 30, 1975, THE EXPORT-
IMPORT BANK NOTIFIED THE CONGRESS PURSUANT TO SECTION
2(B)(3) OF THE EXPORT-IMPORT BANK ACT OF 1945 OF ITS IN-
TENT TO PROVIDE FINANCING FOR THE CONSTRUCTION OF A
NUCLEAR POWER PLANT IN SOUTH KOREA.

3. BECAUSE OF CONCERNS WHICH SENATOR STEVENSON AND I
EXPRESSED TO THE ADMINISTRATION ABOUT U.S. NUCLEAR
EXPORT POLICY, THE ADEQUACY OF INTERNATIONAL NUCLEAR
SAFEGUARDS, AND THE DANGERS OF PROLIFERATING NUCLEAR
WEAPONS CAPABILITY THROUGH THE EXPORT OF NUCLEAR FUEL
ENRICHMENT AND REPROCESSING FACILITIES AND OTHERWISE -
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ALL OF WHICH ARE HIGHLIGHTED BY THE RECENT WEST GERMAN
DECISION TO SUPPLY BRAZIL WITH A COMPLETE NUCLEAR FUEL
CYCLE - THE EXPORT-IMPORT BANK HAS AGREED TO POSTPONE
THE SIGNING OF ANY CREDIT AGREEMENT UNTIL IT HAS RECEIVED
ASSURANCES FROM THE EXECUTIVE BRANCH THAT THE NONPROLIFERA-

TION ARRANGEMENTS IN THIS CASE ARE SATISFACTORY.

4. THE BANK ALSO WILL GIVE THE CONGRESS AN ADDITIONAL 25 DAYS NOTICE BEFORE SIGNING ANY CREDIT AGREEMENT FOR THE PROPOSED PROJECT. THIS ARRANGEMENT WILL GIVE THE ADMINISTRATION ADDITIONAL TIME TO INSURE THAT SATISFACTORY NONPROLIFERATION ARRANGEMENTS ARE IN PLACE, AND IT WILL GIVE THE CONGRESS AN OPPORTUNITY TO REVIEW THE TRANSACTION AFTER SUCH EFFORTS HAVE BEEN MADE AND BEFORE ANY FINAL ACTION IS TAKEN.

5. ACCORDINGLY, THE INTERNATIONAL FINANCE SUBCOMMITTEE OF THE BANKING COMMITTEE WILL WITHHOLD FOR THE PRESENT ANY HEARINGS ON THE PROJECT.

6. FOR THE BENEFIT OF MY COLLEAGUES, I ASK UNANIMOUS CONSENT THAT THE COMMUNICATION WHICH SENATOR STEVENSON AND I HAVE RECEIVED CONCERNING THIS MATTER FROM WILLIAM CASEY, PRESIDENT AND CHAIRMAN OF THE EXPORT-IMPORT BANK, BE PRINTED IN THE RECORD:

7. THIS WILL CONFIRM OUR DISCUSSION REGARDING THE KOREAN NUCLEAR POWER PROJECT. EXIMBANK WILL NOT SIGN THE CREDIT AGREEMENT FOR THE PROPOSED FINANCING OF THE PROJECT UNTIL THE APPROPRIATE AGENCIES OF THE EXECUTIVE BRANCH INFORM EXIMBANK THAT THE NONPROLIFERATION ARRANGEMENTS RELATING TO THE RECYCLING AND USE OF NUCLEAR FUEL ARE SATISFACTORY. IN ORDER TO PROVIDE THE CONGRESS WITH AN OPPORTUNITY TO EXAMINE AND REACT TO THESE ARRANGEMENTS, EXIMBANK WILL NOTIFY CONGRESS OF THE SAFEGUARD ARRANGEMENTS AND WILL NOT SIGN THE CREDIT AGREEMENT FOR AT LEAST TWENTY-FIVE DAYS OF CONTINUOUS SESSION OF CONGRESS AFTER SUCH NOTIFICATION. NO FUNDS WILL BE DISBURSED UNDER THE CREDIT UNTIL THE EQUIPMENT IS, IN FACT, EXPORTED AND THAT WILL NOT TAKE PLACE UNTIL THE NUCLEAR REGULATORY COMMISSION LIMITED OFFICIAL USE
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SION AUTHORIZES THE ISSUANCE OF THE NECESSARY EXPORT LICENSES.

8. FYI: ABOVE REMARKS APPEARED IN JUNE 19 CONGRESSIONAL RECORD AND ROKG EMBASSY IS AWARE OF THEM. KISSINGER

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<< END OF DOCUMENT >>

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